

Message Text

LIMITED OFFICIAL USE

PAGE 01 SEOUL 07955 290803Z

17

ACTION COME-00

INFO OCT-01 EUR-12 EA-06 ISO-00 AID-05 CIAE-00 EB-07

FRB-01 INR-05 NSAE-00 RSC-01 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 /049 W

----- 024791

R 290531Z NOV 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 7195

INFO AMEMBASSY TOKYO

AMEMBASSY LONDON

LIMITED OFFICIAL USE SEOUL 7955

PASS T. PROSS, OFFICE SHIPBUILDING COSTS, MARITIME ADMINISTRATION,
USDOC WASHDC

LONDON FOR G.KJ. RYAN

FROM SOMECK

E.O. 11652: N/A

TAGS: ECON, KS

SUBJECT: HYUNDAI

REF: WA-74-0838; TOKYO 74-93/104

I. 1. NUMBER ONE 74-104 IS REVISED TO READ ONE U.K.;
TWO GREECE: TWO NORWAY.

2. AN ELABORATION OF 2A OF 74-104 IS THAT THREE MONTHS AGO,
WHEN ONE OF THE NORWEGIANS WAS SERIOUS, FIXED PRICE QUOTED
WAS ABOUT US \$25 MILLION. FEEL THAT TODAY WOULD BE FIVE TO
TEN PERCENT HIGHER. NORWEGIANS HAVE POSTPONED FURTHER NEGOTIATIONS
PRIMARILY DUE INABILITY SECURE LOW LOAN INTEREST RATES.

3. REFERENCE 2B OF 74-104 HYUNDAI SAY THAT FOLLOWING PROVISIONS,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SEOUL 07955 290803Z

WHICH WERE AGREED TO BY NORWEGIANS, ARE WHAT THEY PREFER AND

WOULD DISCUSS ONLY RELUCTANTLY CHANGES WITH OTHER PROSPECTIVE BUILDERS IN EITHER PERCENTAGES AND/OR NUMBER OF PAYMENTS:

- A. 5 PERCENT - CONTRACT SIGN
- B. 15 PERCENT - SIX MONTHS LATER
- C. 15 PERCENT - START STEEL FABRICATION
- D. 20 PERCENT - KEELAYING
- E. 20 PERCENT - LAUNCHING
- F. 25 PERCENT - DELIVERY

4. CAMEL LAIRD (6 OF 74-104) DESIGN UNDER OPTION AND WHEN A CONTRACT IS FIRM HYUNDAI WILL EXERCISE OPTION.

5. ABRIDGED SPECIFICATIONS BEING FORWARDED VIA AIRMAIL.

II. 1 TEN KUWAITI GENERAL CARGO VESSEL CHARACTERISTICS ARE AS FOLLWOS:

- A. DWT: 22,300 LT
- B. LOA: 175.30 M
- C. LBP: 167.65 M
- D. BRDTH: 23.35 M
- E. DPTH: 14.20 M
- F. DRAFT: 10.2 M
- G. CAPACITY: 30,000 M3
- H. ENGINE: B AND W 6K 74EF (U.K.)
- I. SHP: 11,400
- J. RPM: 130
- K. KTS: 16.25
- L. CONSUMPTION: 45 TON
- M. CLASS: LLOYDS
- N. DESIGN: GOVAN (U.K.)
- 9. DELIVERY: OCT. 76 THROUGH MAY 77

2. ALL GALLEY, CARGO HANDLING,HYSXILARY, NAVIGATIONAL EQUIPMENT FROM U.K. AND WILL BE IDENTICAL TO EQUIPMENT INCORPORATED ABOARD 10 SISTER VESSELS UNDER CONSTRUCTION GOVAN SHIPBUILDING, THREE OF WHICH ALREADY DELIVERED.

3. HYUNDAI PLANNING CONSTRUCT AT LEAST FOUR PERHAPS SIX LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SEOUL 07955 290803Z

OF ABOVE VESSELS SIMULTANEOUSLY IN THEIR NUMBER TWO DRYDOCK WITH DIMENSIONS 560 ML X 92 MW X 13.2 MD.

4. FIRST FOUR VESSELS ARE SAME PRICE AND LAST SIX ARE SAME. AVERAGE FOR TEN VESSELS IS US DOLLARS 16 MILLION FIXED.

5. PAYMENT TERMS ALL VESSELS:

- A. 10 PERCENT - CONTRACT SIGN
- B. 10 PERCENT - START STEEL FABRICATION
- C. 15 PERCENT - KEELLAYING
- D. 10 PERCENT - AT 25PERCENT STEEL ERECTED
- E. 10 PERCENT - AT 50PERCENT STEEL ERECTED
- F. 10 PERCENT - AT 75 PERCENT STEEL ERECTED
- G. 20 PERCENT - LAUNCHING
- H. 15 PERCENT - DELIVERY

III. 1. HYUNDAI HAVE ALSO RECENTLY RECEIVED ORDERS FROM TWO GREEKS FOR TWO 26,000 DWT PANAMAX BULKERS EACH. ONE CONTRACT SIGNED 22ND NOVEMBER AND THE OTHER 27TH NOVEMBER. DELIVERY ALL VESSELS FIRST HALF 1977.

2. PRICE IS FIXED AND ABOUT U.S. DOLLARS 25 MILLION EACH WITH SIX PAYMENTS AS IN CASE OF CLEAN TANKERS. DESIGN IS SCOTT LEITHGOW (U.K.).

IV. ALL FOREGOING TO BE MAINTAINED IN STRICT CONFIDENTIAL MANNER.

V. FYI HYUNDAI PLAN ALL FUTURE CONTRACTS TO BE FIXED AS THEY REALIZE THAT ESCALATION ARE ANATHEMA TO SOME OWNERS. THIS POSSIBLE SINCE HYUNDAI RECEIVED FIXED PRICES FROM MATERIALS AND EQUIPMENT SUPPLIERS MANY OF WHICH LOCATED ABROAD.
SNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHIPBUILDING INDUSTRY, NEGOTIATIONS, PRICES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SEOUL07955
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740346-0390
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974113/aaaaabrs.tel
Line Count: 141
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: WA-74-0838; TOKYO 74-93/104
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 27 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 JUN 2002 by boyleja>; APPROVED <26 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HYUNDAI
TAGS: ECON, KS, HYUNDAI SHIPBUILDING & HEAVY IND CO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005